

scope of the same enterprise. If, for example, one individual owns or controls a bank, a filling station, and a factory, the mere fact of common ownership will not make them one enterprise. However, if it appears that there is a reasonable relationship of all the activities to a single business purpose a different conclusion might be warranted. Activities which are not “related” will be treated separately for purposes of the tests contained in section 3(s)(1) through (5) of the prior Act and section 3(s)(1) through (4) of the amended Act. For example, in the case where a single company operates retail grocery stores and also engages in an unrelated business of constructing homes, one “enterprise” for purposes of section 3(s)(1) of both the prior and the amended Act will consist of the retail grocery stores and any activities related to them, and home construction activities will constitute a separate enterprise. The latter will not be included in determining whether the retail business enterprise meets the conditions of section 3(s)(1), and the construction employees will not be covered merely because the retail business is covered. The construction business will be considered separately under section 3(s)(4) of the prior Act and section 3(s)(3) of the amended Act.

COMMON BUSINESS PURPOSE

§ 779.212 Enterprise must consist of related activities performed for a “common business purpose.”

The related activities described in section 3(r) as included in the statutory enterprise are those performed for a “common business purpose.” (See the comprehensive discussion in 29 CFR part 776.) The term “common business purpose” as used in the definition does not have a narrow concept and is not intended to be limited to a single business establishment or a single type of business. As pointed out above, retailing, wholesaling and manufacturing may, under certain circumstances be engaged in for a “common business purpose.” (See § 779.209.) An example was also cited where retailing and construction were performed for a common business purpose. (See § 779.206.) On the other hand, it is clear that even a single individual or corporation may per-

form activities for different business purposes. (See § 779.211.) Thus the reports of the House of Representatives cite, as an example of this, the case of a single company which owns several retail apparel stores and is also engaged in the lumbering business. It concludes that these activities are not part of a single enterprise. (H. Rept. 75, 87th Cong., 1st Sess., p. 7 and H. Rept. 1366, 89th Cong., 2d Sess., p. 9.)

§ 779.213 What is a common business purpose.

Generally, the term “common business purpose” will encompass activities whether performed by one person or by more than one person, or corporation, or other business organization, which are directed to the same business objective or to similar objectives in which the group has an interest. The scope of the term “enterprise” encompasses a single business entity as well as a unified business system which performs related activities for a common business purpose. What is a “common business purpose” in any particular case involves a practical judgment based on the facts in the light of the statutory provisions and the legislative intent. The answer ordinarily will be readily apparent from the facts. The facts may show that the activities are related to a single business objective or that they are so operated or controlled as to form a part of a unified business system which is directed to a single business objective. In such cases, it will follow that they are performed for a common business purpose. Where, however, the facts show that the activities are not performed as a part of such enterprise but for an entirely separate and unrelated business, they will be considered performed for a different business purpose and will not be a part of that enterprise. The application of these principles is considered in more detail in part 776 of this chapter.

§ 779.214 “Business” purpose.

The activities described in section 3(r) are included in an enterprise only when they are performed for a “business” purpose. Activities of eleemosynary, religious, or educational organization may be performed for a business